Office Memorandum • UNITED STATES GOVERNMENT

TO : THE DIRECTOR

DATE: May 17, 1954

FROM : L. V. Boardman LB

SUBJECT: ENTERPRISE CONSTRUCTION COMPANIES,
Fraud Against the Government;
Federal Housing Administration

Tolson
Glavin
Harbo
Rosen
Tamm
Tracy
Tele. Room
Gandy

[redacted]

[redacted]

[redacted]

Accompanied by [redacted], I went to Mr. Olney's office at 2:30 p.m. today. I told Mr. Olney that after reading his lengthy memorandum of May 14, 1954, I felt it desirable for me to acquaint him with the fact that agents of the Los Angeles and San Francisco offices were conducting investigation in instant matter, with the view to determining the scope of violations involved and the identity of the persons who were responsible for committing such violations. I indicated that, in view of the fact that investigative reports would be submitted, which the Criminal Division would have ample opportunity to carefully review, it appeared to me pointless to indulge in memorandum writing as to the type of investigation desired. I further indicated that should the Criminal Division, after reviewing the investigative reports, feel that additional evidence was needed to support the alleged violations, the Criminal Division would then be afforded the opportunity to make such suggestions as were deemed appropriate; that in the interim it was my opinion that all efforts could best be directed to the investigation.

[redacted]

WARREN OLNEY O.C

I stated the purpose of my talking with Mr. Olney today was to ascertain whether there could be a meeting of the minds in this regard. Mr. Olney smilingly observed that he would be happy to dispense with any further memorandum writing. I told him that no acknowledgment would be made of his memorandum of May 14, 1954.

During this discussion Mr. [redacted] and I outlined briefly to him the nature of the investigation thus far conducted, the fact that the SAC at Los Angeles was in frequent consultation with the U. S. Attorney at Los Angeles (his most recent consultation having been 5/14/54), and the fact that I had been advised by our Los Angeles Office that the FBI and the U. S. Attorney were in complete agreement regarding the scope and the approach. I briefly outlined to Mr. Olney that the Bureau basically has always resisted exploratory, "fishing type" investigations, and illustrated what we had in mind in such an investigation. Mr. Olney agreed in principle, but commented that instant matter was not such. I readily concurred that we had specific allegations which we were vigorously investigating in instant matter.

INDEXED

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NOT RECORDED
86 MAY 24 1954

[redacted]

[redacted]

[redacted]

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ORIGINAL FILED IN

ALL OK

I pointed out to Mr. Olney that the second paragraph of his memorandum indicated we obviously were both in agreement as to the scope of the investigation. I then pointed out that the balance of his memorandum reminded me of a debate as to how many angels could stand on the point of a needle, and I felt that it was pointless to indulge in further memorandum writing unless there still was some question in his mind. He indicated there was not and the conference, therefore, terminated.

It is my impression, after carefully studying the interchange of memoranda in this matter, that the Bureau's explanation as to the scope of its investigation has been sufficiently clear, but that Mr. Olney is desirous of building a paper record as a cushion should the investigation not result in the prosecutions that would give him acclaim in California as a vigorous prosecutor.

To insure that this investigation receives vigorous, continuous investigative attention, I telephonically discussed this case with SAC Malone of the Los Angeles Office on 5/15/54, instructed him to personally supervise the investigation and assign such personnel as reasonably necessary to make certain that this matter received thorough attention. I further instructed that the Bureau be kept closely informed. The San Francisco Office has likewise been instructed to afford this case vigorous investigative attention.

RECOMMENDATION:

I recommend that no acknowledgment be made to Olney's memorandum of 5/14/54.

[redacted] OK.

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1. Boardman & [redacted] must keep on top of this & see that we fully meet all of our responsibilities.

2. In future you should be more alert & aggressive in heading off such situations. Olney & his band jumped at the opportunity of making a paper record to stand the Bureau. H.